

*Public Service Commission  
Of West Virginia*

201 Brook Street, P.O. Box 812  
Charleston, West Virginia 25323

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**AUG 18 1997**



Charlotte R. Lane  
Chairman

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August 15, 1997

**DOCKET FILE COPY ORIGINAL**

William F. Caton, Acting Secretary  
Federal Communications Commission  
1919 M Street, NW  
Room 222  
Washington, DC 20554

Re: Federal-State Board on Universal Service  
CC Docket Nos. 96-45 and 97-160

Dear Mr. Caton:

In its order of May 8, 1997 in the above referenced matter, the Federal Communications Commission (Commission) determined that more time is required before a final decision can be issued on the adoption of an economic cost model. The WVPSC has evaluated several proposed models in two proceedings; AT&T/Bell Atlantic of West Virginia Arbitration and Bell Atlantic of West Virginia's proposed Statement of Generally Accepted Terms and Conditions. In these proceedings, the WVPSC decided to base its decisions on the Hatfield Model with certain modifications. However, we agree with the Commission's decision to further review costing models and to compare and contrast more fully the structure and the input values used in the models. We expect to continue our review and analysis of the appropriate costing model, and inputs thereto, in a State Universal Service Fund proceeding.

In the May 8 Order, the Commission requested that states "... elect, by August 15, 1997, whether they will conduct their own forward-looking economic cost studies." The purpose of this letter is to make such election. The WVPSC will accept the offer to provide input to the Commission regarding a proper model for determining the cost of providing service in West Virginia. After a further review and evaluation of cost models in our State Universal Service Fund Proceeding, the WVPSC will file a report with the Commission, as requested, specifying the West Virginia recommended cost model, and the comparison of that model to the "Criteria for Forward-Looking Economic Cost Determination" set for by the Commission.

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William F. Caton, Acting Secretary  
Federal Communications Commission  
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Please note this election and provide us with any changes to the schedule, requirements or expectations of the Commission regarding the report on West Virginia's cost study, presently scheduled to be filed by February 6, 1998.

Sincerely,



Charlotte R. Lane, Chairman



Otis D. Casto, Commissioner



Richard D. Frum, Commissioner

CRL/las  
cc: Chief, Common Carrier Bureau  
1919 M Street, NW  
Washington, DC 20554

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COMMISSIONERS  
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State of North Carolina  
Utilities Commission

Post Office Box 29510  
Raleigh, N. C. 27626-0510

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August 12, 1997

Mr. William F. Canton  
Acting Secretary  
Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: Federal State Joint Board on Universal Service  
CC Docket No. 96-45  
CC Docket No. 97-160

Dear Mr. Canton:

In response to the Report and Order released on May 8, 1997, the North Carolina Utilities Commission hereby formally gives notice to the Federal Communications Commission (FCC) of its election to submit its own universal service cost studies to the FCC for use in calculating the amount of support to be received from the national high cost fund. The North Carolina Utilities Commission is in the best position to select the appropriate cost proxy model and model inputs that are representative of conditions within North Carolina.

Sincerely,

A handwritten signature in cursive script that reads "Jo Anne Sanford".

Jo Anne Sanford, Chair  
North Carolina Utilities Commission

JAS/bcs

cc: Sheryl Todd